



June 9, 2008

Mr. Thomas DiLazaro
Air Quality Program Manager
Pennsylvania Department of Environmental Protection
Northeast Regional Office
2 Public Square
Wilkes Barre, PA 18711-0790

Re: Plan Approval Application
Hunlock Power Station Repowering Project



Dear Mr. DiLazaro:

URS Corporation (URS), on behalf of UGI Development Company (UGID), is submitting in triplicate the enclosed Application for Plan Approval for UGID's Hunlock Power Station (Hunlock). UGID is now proposing to undertake a repowering project at Hunlock that will require the issuance of an Air Permit by PADEP. UGID currently plans to begin construction at the site in the 2nd Quarter 2009, following receipt of required permits and approvals. Following initial equipment startup and completion of required performance testing, the facility may start commercial operation in combined cycle mode as early as the 2nd Quarter, 2011. Therefore, we would appreciate your timely review of and action on this application.

Enclosed are binders containing the necessary forms and supporting documents. Included are a General Information Form, a Technical Support Document, and other supporting materials. Also enclosed is a check for \$5,100 to cover the application fee. Please note that the receipts for the required municipal notifications will soon be transmitted under separate cover.

Hunlock is an existing electric generating station in Hunlock Township, Luzerne County, Pennsylvania, owned and operated by UGID. Hunlock currently has one active steam turbine generator (STG) associated with Unit 3, which is a coal-fired steam-electric unit. UGID is proposing to repower Hunlock by constructing and operating a combined-cycle power plant on the Hunlock site and, after the combined cycle starts commercial operation, retiring the coal-fired boiler in place. The combined-cycle plant includes two new combustion turbine generators (CTGs), which will burn either natural gas as the primary fuel or low-sulfur distillate as an alternative fuel, with each CTG having a Heat Recovery Steam Generator (HRSG). The HRSGs will generate steam using the heated exhaust from its associated CTG, and the steam from the two HRSGs will be fed to the existing Unit 3 condensing STG to generate additional power. The combination of the two gas turbines with steam generated from the HRSG supplied to the steam turbine "combined cycle" is widely recognized as one of the most efficient, environmentally sound, power generating technologies available today.

If you have any questions regarding this application, please call Mike Mara of UGID at 610-373-7999, ext. 175, or Mike Dennis of URS at 215-367-2500.

URS Corporation
335 Commerce Drive, Suite 300
Fort Washington, PA 19034-2623
Tel: 215.367.2500
Fax: 215.367.1000